

RESTORE THE SITE

THE STIBNITE GOLD PROJECT

Valley County, Idaho

APRIL 2020



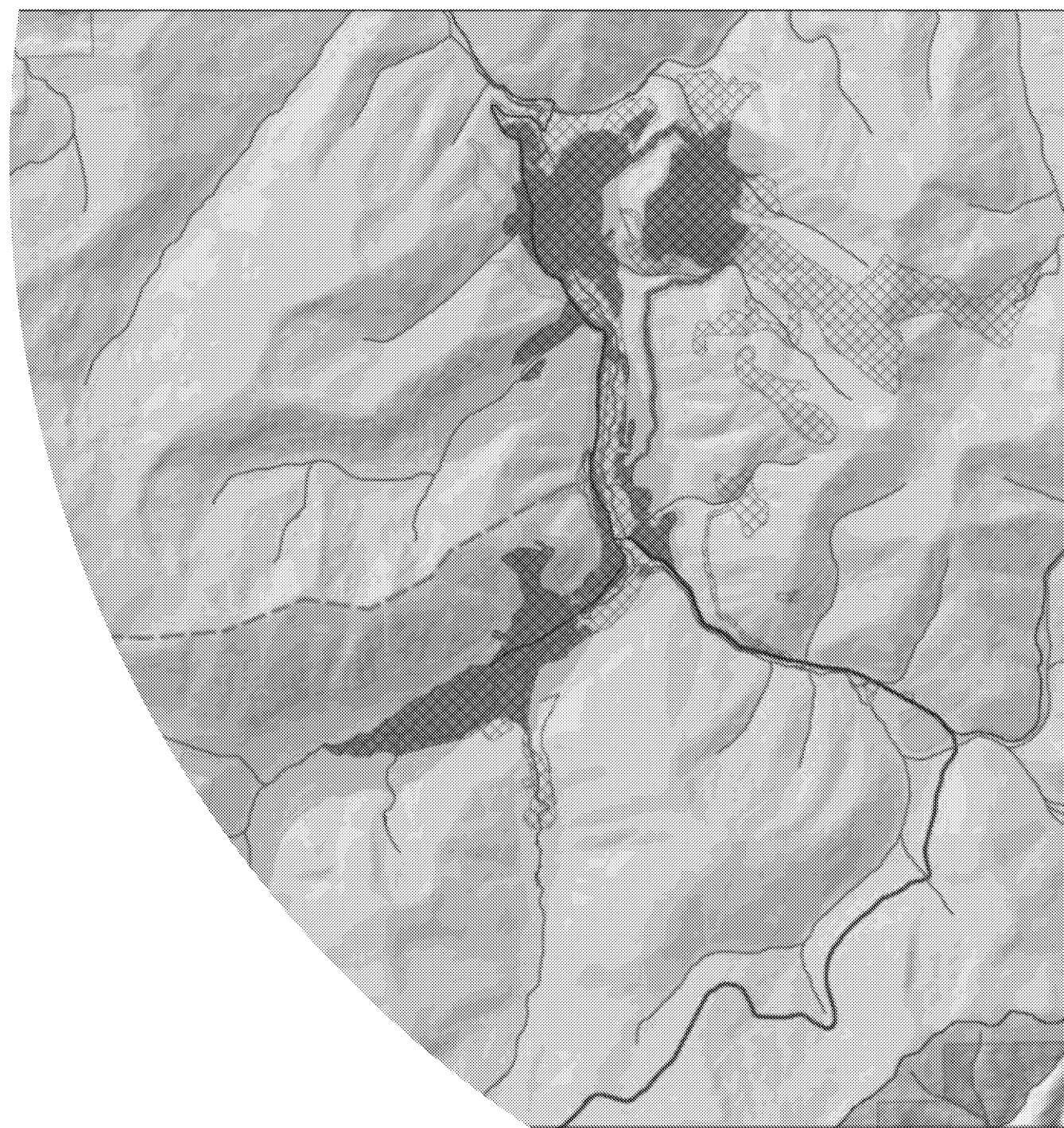
THE STIBNITE GOLD PROJECT

We can take an area abandoned after 100 years of mining and use a sustainable approach to restore the environment and develop a modern mining industry.



History of Stibnite Gold Project

- The Stibnite District was abandoned in the 1990s after decades of mining activity by prior operators.
- The area's habitat, water quality and fish passage need help but there are no responsible parties left or available resources.
- Midas Gold designed its project with the vision that mining can bring the resources to restore the site - and is committed to cleaning up legacy contamination through the project.
- Midas Gold is seeking a CERCLA Administrative Order on Consent (AOC) to gain permission and formalize our commitments to address legacy contamination, outside of our project footprint, starting with early actions and an evaluation of large-scale issues across the district that can be addressed once the project is permitted and funded.





PROJECT DESIGN

THE STIBNITE GOLD PROJECT WAS DESIGNED FOR:

Post-closure

Sustainable, dynamic ecosystems

Cleanup of legacy impacts

Limited footprint

Positive social benefits

Enhanced salmon and fishery habitat

To or above, regulatory standards

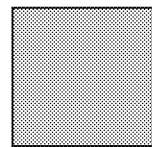
Limited financial and social risks

See Plan of Restoration and Operations, Appendix G

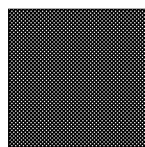
RESTORATION BEYOND MINING

The SGP addresses substantial legacy impacts, other areas remain that need environmental attention but are not associated with the SGP.

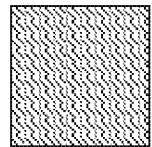
We need regulatory approval to address these areas.



Legacy Sites
Addressed by PRO



Legacy Sites
Not Addressed by PRO



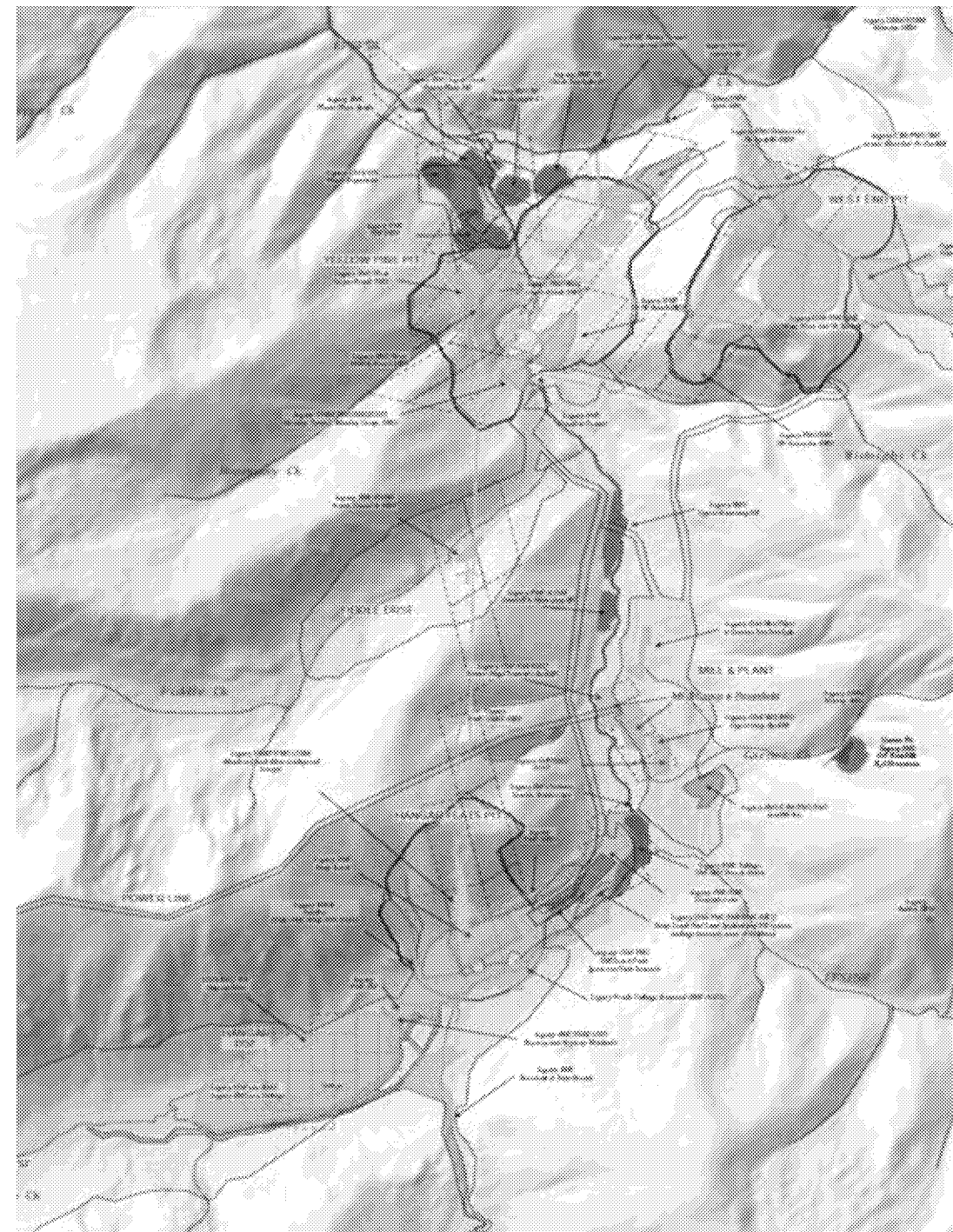
General Overall
Lands Impacted by PRO



Patented
Lands



Legacy
U/G Workings





ADMINISTRATIVE ORDER ON CONSENT

Now entering its third year, we have been working with EPA for permission to clean up a mess we didn't make in areas we didn't plan on mining.





Administrative Order on Consent (AOC)

WHY an AOC?

Because we want to use the Stibnite Gold Project to clean up legacy environmental problems in the district that are beyond the project footprint.

1. CERCLA

There are three CERCLA consent decrees with prior owner/operators covering the district.

2. PERMISSION

We need permission to address legacy areas of the district that are not located in areas proposed for future mining.

3. LAWSUIT

We need relief from the Clean Water Act lawsuit so that the project may become a reality.





Administrative Order on Consent (AOC)

OUR PROCESS

Jan 2018: We started CERCLA conversations with EPA to address areas outside of our proposed project footprint.

June 2018: AOC discussions began with EPA and we delivered 1st of 3 proposals. Rejected by EPA.

April 2019: We delivered 2nd of 3 proposals. Rejected by EPA.

July 2019: Nez Perce Tribe filed Clean Water Act lawsuit.

Nov 2019: Continued AOC discussions with EPA, USFS, IDEQ and the Shoshone-Bannock Tribes.

Jan-Mar 2020: Provided EPA with a 3rd proposed AOC covering 3 early actions and a site-wide Remedial Investigation and Feasibility Study (RI/FS).





Administrative Order on Consent (AOC)

WHAT WE NEED IN THE AOC

1. **Provide agreed path to assess issues and develop a plan to comprehensively address the Site's needs with appropriate solutions.**
2. **Provide permission for us take early actions now.**
3. **Responsive to the Clean Water Act lawsuit**
4. **Recognize our financial means and timing constraints.**





Administrative Order on Consent (AOC)

OUR PROPOSAL

- July 2019, Company agreed to study the 8 areas at issue in CWA litigation
- Company began working with the Shoshone-Bannock Tribes as a potential partner in CERCLA cleanup (summer 2019)
- January 2020 Company proposed three early actions (pre-permitting, pre-construction, pre-operation) designed to improve water quality on the Site. No formal word from EPA Reg 10 as to acceptance, but understanding that the Company may have to fund pre-mining active water treatment.





Make commitments within our means.

Requirements to conduct large-scales action before we are funded would be impossible, causing the company and all future opportunity to cease.

- **Water treatment** on site is currently cost prohibitive and does not invest in a long term solution.
- **Moving waste rock** is a mining-scale solution both in cost, available resources and safe location to place waste.
- **Detailed mining-scale commitments** are premature before the RI/FS and the approval and funding of the Stibnite Gold Project.

Activities will be limited by our ability to place sufficient **financial assurance** through bonds; bonding for long-term water treatment and mining scale solutions is not feasible without a permit to mine and project financing.





CERCLA Policy Issues

- Company's CERCLA status to Site and its position it is a BFPP. EPA policy is that BFPP status is not for EPA to determine but Region 10 has determined Company has not proven it is in fact a BFPP which violates OECA policy guidance;
- Resolution of past response costs (estimated of up to \$16 million) where Company did not create contamination and EPA and other Federal PRPs effectively abandoned the Site in 2012.
- Scope of CERCLA response actions to settle and RI/FS coverage to succeed on motion to dismiss lawsuit under CERCLA Section 113(h) because Nez Perce Tribe has already briefed that it will oppose a motion to dismiss not based on "sitewide" RI/FS.





SITE SOLUTIONS

SOLUTION FOCUSED

- ✓ Quickly align on appropriate AOC and Scope of Work for work to begin in 2020.
- ✓ Begin early actions in 2020
- ✓ Begin RI/FS in 2020
- ✓ RI/FS identifies solutions for mining scale restoration
- ✓ Move forward with watershed assessment and portfolio of desired common environmental objectives

Or, **ALTERNATIVE**

- ✓ Clean Water Act Lawsuit
- ✓ Loss of company and project viability
- ✓ District remains in current condition



THE BIG PICTURE

- We want to be the solution for Stibnite.
- We have invested in restoration through our mining plan and want to do more.
- Once funded and operating, we are willing to shoulder the responsibility for cleaning up far more ground than we will touch with mining.
- We need the permission of EPA and IDEQ and the support of the Shoshone-Bannock Tribes to make this project a reality.
- We will pay-it-forward with early actions now that are within our means and set future restoration up for success.
- Otherwise, there are no other solutions.

